GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Tribal Welfare Department – GCC - Implementation of National Scheduled Tribes Finance Development Corporation (NSTFDC) Schemes to the PvTGs and other Vulnerable Groups - Comprehensive Operational Guidelines – Orders – Issued.

Tribal Welfare (TW.GCC) Department

G.O.MS.No. 72 **Dated: 06-06-2016**

Read the following:-

1) G.O.Ms.No.22 Social Welfare (TW.GCC) Dept., dated:02.03.2015.
2) G.O.Ms.No.31 SW (TW.GCC) Dept., dt:01.06.2015
3) Letter No.TRICOR/B1/NSTFDC/377/2015, dt:07.12.2015 of the MD, TRICOR.
4) Lr. Rc. No. NSTFDC/AP/49/05/06/07/08, dt:07.12.2015
5) MD, TRICOR, Lr.Rc.No.TRICOR/B1/377/2015, Dated: 06.04.2016.

ORDER :

In the G.O. 1st read above, Government have accorded bulk guarantee to NSTFDC in favour of Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Limited (TRICOR) for Rs.40.00 Crores for implementation of Economic Development Schemes/Self Employment Programmes to the PvTGs and other Vulnerable groups and also issued orders for providing 90% of the unit cost as Subsidy, Subject to a maximum of Rs.1.00 lakhs to these groups vide reference 2nd read above.

2. In the letter 5th read above, the Director of Tribal Welfare, A.P., Hyderabad has stated that in the letter 3rd read above, the TRICOR has furnished the proposals to NSTFDC, New Delhi for sanction of (16) Schemes covering (1165) beneficiaries at a total cost of Rs.5467.27 lakhs involving term loan assistance of Rs.4000.06 lakhs for 2015-16 and requested to consider the proposals for release of Rs.4000.00 lakhs for implementation of NSTFDC Schemes in the State of Andhra Pradesh for 2015-16.

3. The Director of Tribal Welfare, A.P., Hyderabad has further stated that in the reference 4th read above, the NSTFDC, New Delhi has sanctioned (16) Schemes with a term loan of Rs.4000.00 lakhs and released in the last week of March, 2016.

4. The Director of Tribal Welfare, A.P., Hyderabad has therefore requested the Government to communicate the guidelines for implementation of NSTFDC schemes.

5. Government after careful examination hereby communicate the comprehensive operational guidelines for implementation of NSTFDC Schemes to the PvTGs and other Vulnerable Groups as detailed in Annexure appended to this order.

6. The Director of Tribal Welfare, A.P., Hyderabad and MD, TRICOR are requested to take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.P.SISODIA
PRINCIPAL SECRETARY TO GOVERNMENT (TW)

To
The Director of Tribal Welfare, A.P., Hyderabad
The Managing Director, Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Ltd.,(TRICOR).
All the District Collectors
All the Project Officers of ITDAs and DTWOs in the state
All line Departments implementing the Economic Support Schemes.

P.T.O

Copy to:
The P.S. to Minister for (SWE & TWE).
The Special Secretary to C.M.
The P.S. to Principal Secretary (Finance).
The P.S. to Secretary (Finance.Expr).
The P.S. to Principal Secretary (TW).
SF/SC

// FORWARDED BY ORDER //

SECTION OFFICER

ANNEXURE -1

(Annexure to G.O.Ms.No.72 .TW(GCC), Dept., Dated:06.06.2016)

Andhra Pradesh Scheduled Tribes Co-operative Finance Corporation Limited:: Hyderabad

Chapter – I

National Scheduled Tribes Finance and Development Corporation (NSTFDC)

GENERAL PROFILE:

- Pursuant to the Andhra Pradesh Reorganization Act, 2014, Andhra Pradesh Schedule Tribes Coop. Finance Corporation Ltd has been bifurcated into two entities and APSTCFC Ltd has been created for the State of Andhra Pradesh w.e.f. 02-06-2014
- The main objective is to provide financial assistance for creation of income generating assets to the poor Scheduled Tribe households for Economic Development.
- The State of Andhra Pradesh is having 27.40 lakhs ST population (5.53%) out of total population of 495.71 lakhs as per 2011 census.
- The APSTCFC has been taking up economic support schemes which Schemes include Bore Wells, Tube Wells, Pump sets, Pipe Lines, Milch Animals, Energization of Minor Irrigation Schemes; Schemes under ISB sector and various training programmes and special emphasis is on PvTGs (Konda Savara, Bondo Porja, Parangi Porja, Khond Porja, Gadaba, Bodo Gadaba, Gutob Gadaba, Dongri Khond, Kutia Khond, Konda Reddy, Chenchu) and other Vulnerable like Yanadi, Widow/ single member family member, Bonded Labour (as identified by the District Collector concerned), HIV Victims (as per the records of APSACS/M&H Dept.), Victims of human trafficking, Victims of Natural Calamities and fire victims (as identified by the Thasildar), Destitute Women. All these schemes are implemented with loan tie up from the banks.
- Self employment schemes with loan from the Apex Corporation i.e. National Scheduled Tribes Finance and Development Corporation (NSTFDC), New Delhi.
- Since inception (1976-77), about Rs. 1703.19 Cr have been spent through ST Corporation benefiting 21,23,997 beneficiaries. The average amount spent is around Rs.43.67 Cr. per annum.

Loan Waiver & Change of Policy

- During 2008-09, the Government has announced LOAN WAIVER SCHEME benefiting 13.36 lakh ST beneficiaries and waived Rs.145.00 Cr loans pertaining to Margin Money / NSTFDC.
- During 2008-09 (after waiver of the loans), the Government have changed the role of ST Corporation from lending agency to facilitator for providing subsidy @ 50% of the unit cost or Rs.30,000/- whichever is less. Accordingly, the subsidy portion is increased from Rs.10,000/- to Rs.30,000/- for sanction of economic support schemes with the Loan linkage from the Banks.
- Government have brought in Act No. 1 of 2013 on planning, allocation and utilization of financial resources in transparency and accountability for the economic, educational and human development of STs during the year 2013-14. The Act facilitates allocation of more funds to ST Corporation for taking up economic support schemes in a more focused way for ensuring economic empowerment through sustainable livelihoods to ST individuals and groups.
- In the light of above, the Government have enhanced the subsidy component for economic support schemes and the subsidy component is 60% or Rs 1.00 lakh (which ever less) in case of the self employment schemes (GO Ms No.101, SW(SCP-I) Dept Dated 31-12-2013.
- The Government has also issued detailed operational guidelines (G.O.Ms.No.31, dt. 01.06.2015) for implementation of economic support schemes for 2015-16.

INTRODUCTION

The APSTCFC LTD., has availed loans from NSTFDC since 1991-92 for implementation of Economic support schemes without bank linkage up to 2007-08 for the benefit ST beneficiaries. The loan assistance provided by NSTFDC was on government guarantee and had to be repaid on regular quarterly/monthly installments on recovery from the sanctioned beneficiaries.

After New Inclusion policy of Government, the role of the Corporation has been changed from lending agency to that of facilitator. Availing loans from NSTFDC is discontinued from the year 2008-09 onwards, due to loan waiver schemes announced by the Government.

There are several representations received from ST beneficiaries for revival of loans under NSTFDC, as the banks are not showing interest and willingness to sanction loans to ST beneficiaries in the absence of collateral securities etc. and also the NSTFDC charges lesser rate of interest compared to the commercial banks.

In view of the above, the Government have decided for revival of NSTFDC loans, so as to provide adequate financial support for the ST beneficiaries.

OBJECTIVES:

The basic objective of the project is to provide easy access to credit facility for the poor ST beneficiaries and educated unemployed STs at lesser rate of interest for establishment of Self Employment units and to identify entrepreneurial capabilities among ST youth and facilitate them to emerge as successful entrepreneurs in the society.

1) ELIGIBILITY CRITERIA FOR ALL THE SCHEMES UNDER NSTFDC:

a) PvTGs and other Vulnerable groups as notified in G.O.Ms.No.31 are only eligible.

b) Annual income below double poverty line (Rs 81,000/- in rural areas and 1,04,000/- in urban areas)

c) Age of candidates should be between 18 to 45 years

d) Beneficiaries with loan outstanding are not eligible under the scheme

e) Minimum educational qualification is 10th pass or fail.

Funding pattern

a) Subsidy

- PvTGs/Yanadis and : 90% of the unit cost or Rs.1.00 lakh whichever is less other Vulnerable groups.
- Group based scheme : 60% of the unit cost not exceeding Rs.1.00 lakh per member of the group

b) Beneficiary/Promoters' contribution per unit : 2 to 5% of the unit cost depending on the scheme

c) NSTFDC loan : Balance

Preference is to be given to the candidates who have passed 10th class and have technical qualification required for the scheme (permanent driving licence under Transport sector) and unemployed candidates whose claims are deferred by bank.

DOCUMENTATION

- Documentation forms a very important part in the implementation of schemes. One of the primary objectives of the corporation is to mobilise the required institutional finance for implementing the schemes to uplift S.T. families. This is being done by borrowing term loan assistance from NSTFDC, New Delhi and providing subsidy at 60% or limited to Rs.1,00,000/- whichever is less from the corporation. The loan component is to be recovered from the beneficiary.

- In view of the above position, proper documentation with legal sanctity is very important. In case of failure to repay the loan, the District Society should be in a position to initiate necessary legal action for recovery of the loan.
- The District Level Committees should download application from OBMMS along with the copy of Caste, Income & Aadhar Card (uploaded in OBMMS), printouts and put-up to the Selection Committee :-
    1. Copy of Caste Certificate issued by M.R.O. - MEE Seva Linkup
    2. Copy of Ration Card to be uploaded in OBMMS
    3. Aadhar Card to be uploaded in OBMMS
    4. Pronote and surety Bonds (Annexure -I)
    5. Surety bonds: Surety should be signed by two Government Employees (Annexure -II).
- It is compulsory to secure post dated cheques from the beneficiaries at the time of documentation.
- A Pass Book should be issued to every beneficiary showing particulars of the beneficiary, loan sanctioned, installments paid etc. Proforma for Pass Book is given at Annexure -IV. The printed passbook will be supplied to the Districts.

2) STEPS FOR REGISTRATION UNDER NSTFDC IN OBMMS

1. Open Website apobmms.cgg.gov.in
2. Click "on apply online"
3. Click on ST Corporation Registration.
4. Enter Ration card number and click on " Get details".
5. Select the Beneficiary names as shown in the list on the ration card and click on 'Go'
6. Finally Beneficiary application appears
7. Select "Beneficiary Type" as individual
8. Select Finance Assistance
9. Select NSTFDC
10. Select Scheme Name under NSTFDC
11. Upload Beneficiary photo
12. See 'Preview'
13. Click on 'Submit'

3) IDENTIFICATION, SELECTION AND SANCTION OF LOAN

1. The applications have to be filled on par with other Self-Employment Schemes through OBMMS.
2. As per the ST Action Plan 2015-16, the following committee has to be constituted for selection of beneficiaries :
    i. District Collector / Chairman - Chairman

ii. Project Officer / Member Secretary /DTWO - Convenor
iii. Project Director, DRDA Member
iv. General Manager, D.I.C. Member
v. Joint Director, Agriculture Member
vi. Joint Director, Animal Husbandry Member
vii. R.T.O (in the case of transport sector) Member

- An interview shall be organized to short list the applicants after making the verification of the documents and eligibility criteria. Weightage may be given to aptitude, experience and bank deferred cases. No candidate should be selected without fulfilling the basic eligibility conditions. Only educated unemployed ST youth should be identified under this programme. Preference may be given for the candidates who have studied up to 10th class and who have technical qualifications required for the scheme
- Those who are having minimum one year work-experience in the connected line of activity may be given preference.
- Un-employed candidates who are working as drivers on monthly basis and possessing permanent driving license shall be given preference for the schemes under transport sector.
- Un-employed candidates whose claims were deferred by banks may be given weightage during the selection.
- General aptitude and abilities possessed by candidates must be observed while selecting the candidates.
- After selection, the provisional selection list should be displayed in the offices of Executive Directors, Collectorates, R.D.Os & M.D.Os.
- The list of selected candidates scheme-wise should be sent to the Head Office for release of subsidy and NSTFDC Loan

4. GENERAL CONDITIONS FOR GROUNDING OF THE SCHEMES

1. As soon as the selection list is published, an EDP programme shall be organized at the District Level for the benefit of the beneficiaries. The EDP shall cover, among other things.
   a) The importance of repayment of NSTFDC loan installments and the consequences of non-payment / irregular payment of installments.
   b) The Success stories of the Tribal entrepreneurs who have worked hard and have repaid their loans.
   c) Basic accounting, profit & loss concepts and sound business principle should be explained.
   d) The repayment schedule has to be explained to the beneficiaries selected and the burden of penal interest in case of irregular payment. They should also be explained about confiscation of assets

in case of non-payment and provisions of the Cooperative Societies Act, 1964.

e) Each of the beneficiary shall be supplied with a copy of the repayment schedule for the scheme for which he is selected.

f) They should be clearly informed about the documentation required and the procedure for documentation.

2. As per choice of the beneficiary, a letter specifying the brand and name of the supplier / manufacturer along with quotations should be submitted by the beneficiary.
3. The order shall be placed only to the manufacturer or authorized dealer. No other middlemen or agencies should be engaged for this purpose.
4. The manufacturer or the dealer should install the machine in the prescribed premises on turnkey basis.
5. The premises of the Firm shall be inspected by an Officer of the District Society before commencement of the grounding process.
6. All payments must be made only through cheque.
7. A Joint Account shall be opened in the name of the Project Officer/ DTWO Beneficiary and the loan + subsidy will be released into this A/C.
8. The Project Officer/ DTWO is completely responsible for proper grounding of the unit. The Project Officer/ DTWO concerned will be held responsible and disciplinary action will be initiated against the persons responsible, if any deviations are observed.
9. If the dealer take back the units after grounding or any mis-utilization is noticed, the dealer will be kept under blacklist and action will be taken against the beneficiary under relevant sections of law.
10. Inspection of assets after the grounding of the unit shall be done by an officer of the District Level Committees.
11. As regards transport sector, while registering, documentation procedure should be followed for hypothecation of vehicle in favour of the District Society., and the following legend has to be painted on the vehicle.

"FINANCED BY ST CORPORATION WITH NSTFDC"

12. Under, Animal husbandry sector, the unit cost and rules of grounding shall be the same as those followed by the Animal husbandry Department.
13. Across the sectors, targets are transferable from one sector to the other as per the local demand & need subject to prior approved from the VC Managing Director.

5. RECOVERY

Recovery of NSTFDC Loan component along with interest is very important as the loan + interest has to be repaid to the NSTFDC. If loan repayment is delayed, NSTFDC charges penal interest. Hence it is essential that a robust recovery mechanism is put in place before the NSTFDC loans are grounded.

Recovery of the loans shall be entrusted to Rural/Urban village organizations under SERP and the MoU has to be entered into with the District Level Federation (Girijan Samakya). A part of the interest differential can be paid to the recovery personnel of the VO/SLF in recovery of NSTFDC loans on payment of mutually agreeable fee. The MoU should have provisions.

a. To appoint banking correspondents / Girijan Samakhyas/ MMS / recovery agents from the Village Organizations.
b. Recovery should be only through cheques, in favour of the Project Officer, ITDA/ DTWO of the concerned Districts.

1. Beneficiary-wise loan ledger should be maintained for the beneficiaries under NSTFDC scheme containing full details of the loan, interest including due dates etc. A Performa of loan ledger is enclosed at (Annexure -V). The loan ledgers shall be printed and supplied to DLCs.
2. Every beneficiary will be issued a Pass Book in the proforma mentioned at Annexure - IV and entries of loan sanction and recovery particulars shall be posted in the Pass Book.
3. The term loan should be collected after a moratorium period of (3) months from the date of grounding for all the schemes.
4. NSTFDC term loan carries the interest rate of 6% & 8% per annum. Recoveries will be done under sections 71 (1) Andhra Pradesh Co-operative Societies Act.1964.
5. A separate sub-account should be maintained for these schemes. Loan portion and interest shall be shown separately.
6. D.C.B statements as at Annexure - VI must be prepared every month and demand notices should be issued to the beneficiaries for proper recovery of loans. If more than (3) installments have become overdue, the overdue amount shall be recovered by obtaining a certificate under sections 71(1) of the Andhra Pradesh Co-operative Societies Act.1964. Loan ledger and D.C.B. statements, monthly progress report on grounding of schemes and loan recovery register must be maintained and an extract of the same must be mailed to the APSTCFC Ltd.,
7. Recoveries collected against the NSTFDC Self-employment schemes should be sent to Head Office on or before 10th of each succeeding month to Head Office. A loan recovery Schedule shall be generated at the time of sanction proceeding generation.

8. Mortgage deed shall be registered.

6. MONITORING AND FOLLOW UP ACTION:

1. For effective implementation of the scheme physical monitoring by the Executive Director is essential in every district. The Project Officer/ DTWO should personally inspect and evaluate the NSTFDC units grounded in that particular year at the rate of at least a minimum of (5) units a month.
2. Project Officer /DTWO or any other officer who is dealing with this subject, should cover inspection of all schemes at least once a month and see that instalments that have fallen due are recovered. He/She should also monitor the functioning of the unit.

7. UTILIZATION CERTIFICATES

The Executive Director are directed to take personnel care in submission of utilisation certificates (i.e., Progress report in NSTFDC format) to the extent of grounding (Annexure - IX).

After receipt of funds, utilization certificates have to be submitted to NSFDC within 90 days time. Otherwise, NSTFDC collects penal interest of 6% additionally.